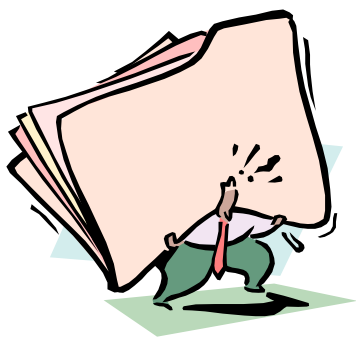


SECTION J –REPORTING and MONITORING

1. OVERVIEW



CDBG grantees are responsible for planning and carrying out their project in accordance with the rules and regulations of state and federal law as specified in the contract executed between the grantee and the state. The State of Utah offers maximum feasible delegation of responsibility and authority to Grantees under this program. Within these parameters the CDBG staff has the responsibility to ensure that Grantees are carrying out their programs in accordance with these applicable laws and regulations. To accomplish this responsibility the Division of Community Development (DCD) will help grantees identify problems in program implementation, and identify causes of problems and solutions in order to help Grantees correct them. Whenever possible, deficiencies should be corrected through discussion, negotiation and technical assistance in a manner that preserves local discretion. Problems should be identified and addressed as they happen, rather than waiting until the monitoring visit occurs. Regular telephone contact with state and AOG staff can be very helpful in avoiding problems at the end of the project. Some problems cannot be resolved if the grantee waits. DCD will conduct all of its monitoring activities in a positive, helpful manner.

2. OBJECTIVES

The objectives of monitoring and reporting are to determine if Grantees:

- a. Are carrying out their CDBG project as described in their contract with DCD and have kept and organized documentation to support all actions and national objective compliance,
- b. Are carrying out the project in a timely manner in accordance with the time frames required by the contract,
- c. Are charging costs to the program or project that are eligible under applicable regulations,
- d. Are complying with other applicable laws, regulations and terms of the contract;
- e. Are conducting the program in a manner which minimizes the opportunity for fraud, waste and mismanagement; and
- f. Have a continuing capacity to carry out the approved program or project.

3. PROGRESS REPORTING REQUIREMENTS

A progress report is required as part of each Request For Funds (RFF). Requests cannot be paid unless “accomplishment narrative” is included on the RFF form. The brief narrative should describe the accomplishments of the project during the reporting period. Examples include, but are not limited to, amount of pipe laid, percentage of building completed, number of people assisted, etc.

Additional progress reports may be required during the course of the contract with DCD if specifically requested by the state. In most cases this progress report will not be required if DCD is kept up to date concerning the status of the project periodically throughout the contract period. The State CDBG Staff may request additional reports as necessary based on the difficulty of the project and the contact that the grantee has maintained with DCD regarding progress.

The final project summary will be completed at the end of the project and is included in the close out packet at the back of this handbook.

4. MONITORING REQUIREMENTS

The state CDBG staff will monitor all Grantees at least once during the course of the project. The final monitoring visit is usually made prior to drawing down the last 5% of CDBG funds from the State. The monitoring system is not designed as a means of levying sanctions on grant recipients, but rather to identify concerns and problems and then to assist the grantee to solve the problem and complete the project in accordance with all program requirements. If the problem cannot be resolved and there are disallowed costs, funds will need to be repaid to the federal government.

a. Progress Monitoring

Progress monitoring is an ongoing process of reviewing Grantee performance during the contract using all available supporting documentation. Oversight of project administration is an ongoing responsibility of the State staff.

- ☐ Sources of information, which should be available for review by the State are:
 - The Grantee's application file and contract;
 - Request for Funds (RFF) forms, invoices, canceled checks, deposit slips, project reports
 - Data supplied by other state and federal agencies,
 - Environmental review file and release letter from the State
 - The grantee's responses to monitoring and audit findings
- ☐ Uses of Information - The data will be used to check project progress and to identify problems and accomplishments. Analysis of the data may indicate the need for a special monitoring visit by DCD to resolve or prevent a problem.

b. Monitoring Visits

DCD will conduct on-site monitoring visits.

- **Timing.** On-Site monitoring visits will be conducted at least once during the contract period.
- **Scheduling.** The Grantee will be notified in advance of the visit and a mutually agreeable appointment will be made.

More frequent on-site monitoring visits may be necessary for one or more of the following.

- Complexity of the grant: a large amount of funds or multiple purposes.
- Known problems: previous monitoring findings, audit findings, lack of progress on past projects
- Citizen or administrative complaints; Please remember that it is the responsibility of the Grantee to resolve such complaints.

(1) Programmatic

Programmatic monitoring focuses primarily on two aspects of the CDBG program: project progress and program benefits in the following areas:

- National objective compliance and record keeping;
- General organization of files;
- Financial and general grant management;
- Environmental compliance;
- Public participation and complaint procedures;
- Labor standards compliance documentation;
- Civil-rights, benefits to minority persons;

- Construction contracts; and
- Property acquisition/relocation or displacement.

(2) Financial

Financial monitoring will focus on the following areas:

- Does the Grantee have an accounting system with the capacity to maintain all records and documentation as required under the CDBG program?
- Has the Grantee established a system of internal controls to eliminate potential fraud and abuse?
- Does the Grantee have adequate sources of documentation?

c. Format For State Monitoring Visits

Prior to Grantee monitoring visits, the State CDBG staff will contact the appropriate city officials for an agreeable time and date for the visit. Individual Grantee circumstances will dictate whether the staff will conduct:

- (1) a general program monitoring visit covering program progress and benefit; or
- (2) an in-depth review of one or more program compliance areas

When conducting a monitoring visit, the State program specialist will:

- (a) Examine all files and other documentation using the monitoring forms in this handbook.
- (c) Visit the project site or sites
- (d) Discuss any questions, concerns or problems with the Grantee.
- (e) Conduct an exit interview, if possible, with the chief elected official and his/her project manager to discuss the findings of the monitoring visit.

d. Triggers for Unscheduled On-Site Visits

Several actions or events may "trigger" an unscheduled monitoring visit, in order to avoid a situation or breach of contract, non-progressive performance or non-compliance. Possible "triggers" include:

- (1) Complaints received by DCD indicating poor management;
- (2) Failure to submit a progress report or financial status report;
- (3) Indicators of fraud or abuse;
- (4) Financial mismanagement;
- (5) Lack of project progress, and
- (6) Repeated breaching of any contractual provision after prior notice from DCD to comply.

e. Post Visit Action

A letter will be sent to the Grantee reporting the results of the monitoring visit.

(1) The monitoring letter will include:

- The name of the staff person who conducted the monitoring visit and date of visit;
- Scope of monitoring;
- Monitoring conclusion (positive and negative) supported by facts;
- Specific corrective action (if necessary);
- Due date of any necessary corrective action; and if appropriate, offer of technical assistance.

(2) The timing of the follow-up letter will occur as early as possible, particularly if there are major findings.

(3) All documentation and correspondence relating to monitoring visits and conclusions will be placed in State's file and should also be placed in the grantee's files.

f. Follow-Up Action

(1) Any Grantee who receives a notice of negative finding must submit a written statement indicating that the negative findings have been, or are in the process of being corrected, and the method by which this is being accomplished, within 30 calendar days. All remaining funds in the contract will be held until the problems are resolved.

(2) If, after 30 calendar days, the Grantee fails to meet a date for corrective action, the state staff may telephone the Grantee and remind the Grantee of the need for action. The state staff will make a second visit to the site to help solve the problem if it becomes apparent that the grantee cannot solve the problem in a timely manner.

(3) The Grantee's proposed corrective action will be reviewed by the state. If the review indicates that the corrective action was less than satisfactory, a letter will be forwarded to the Grantee which specifies needed additional action and the due date.

g. Resolving Monitoring Findings

When all the monitoring findings have been resolved, a letter will be sent to the grantee along with a "Close Out" form. The Close Out form must also be completed and returned to DCD within 30 calendar days.

Grantees should recognize that failure to observe specific dates for the return of requested reporting or monitoring evidence is noted by the State staff and may be provided as information to the Regional Rating and Ranking Committees (RRC's). The RRC's make use of this data in CDBG grant application processes under the rating and ranking criteria identified as "Capacity of Grantee to Carry Out the Grant."

Copies of the monitoring forms are included in the Reporting/Monitoring Exhibits section of this handbook. They should be reviewed prior to a monitoring visit in order to acquaint the Grantee with the items to be monitored and allow the necessary preparation of needed material.

5. IMPORTANT REMINDERS

- Files must be prepared at the onset of the project and maintained during the complete course of the project.
- The CDBG staff will provide technical assistance in setting up financial files if requested.
- Grantees should contact their State Program specialist immediately if unexpected delays or problems arise.
- Monitoring occurs when the project is 90-95% complete.
- The purpose of monitoring is to ensure compliance with federal laws and to ensure that files are complete.
- Before the monitoring visit review the appropriate monitoring checklist.
- Some projects may be monitored by phone only.

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